



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)
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TO: COMMITTEE ON PUBLIC WORKS AND SUSTAINABILITY
Councilmember Stanley Chang, Chair
Councilmember Ann H. Kobayashi, Vice Chair
Councilmember Tom Berg
Councilmember Tulsi Gabbard
Councilmember Nestor R. Garcia

LOCATION: REGULAR MEETING COMMITTEE MEETING ROOM

DATE: WEDNESDAY, APRIL 4, 2012

TIME: 1:00 P.M.

FROM: Hawaii Food Industry Association, Lauren Zirbel – Executive Director

RE: Bill 10 Relating to the use of bags provided to customers.

The HFIA would like to provide the following comments:

- The wording of this bill is problematic because the language does not state that the fee **MUST** be passed on to the consumer, which would allow some venues to not charge for single use bags. This defeats the purpose of the legislation. If the consumer does not associate the fee with single use bags they will have no greater incentive to remember to bring their reusable bags. As written, this bill serves as a direct tax on groceries.
- The legislation also does not include paper bags in the fee. Model legislation in the United States and the Hawaii State fee bill included paper in the mandatory fee as paper bags are much more expensive and also not environmentally friendly as plastic bags. Paper bags MUST be specifically included in the fee.

- The language states that the fee program establishes a requirements that businesses charge 3 cents and then 5 cents per plastic (not paper) bag and implements very burdensome administrative requirements yet does not allow the business to keep any % of the fee to cover theses increased cost. The state bill allows businesses to keep 20% of the fee for this reason.
- Part of the reason the industry is asking for a fee is that we are already experiencing a 10-fold increase in cost to provide paper bags on neighbor island stores. A fee serves two purposes; first to reduce the number of bags that must be provided by encouraging reusable bags, and second by helping the retailer cover the cost of a much more expensive product.
- We would ask that the fee MUST be passed on to consumer to ensure that the tax serves its purpose of encouraging the use of reusable bags and that retailers be allowed to keep a portion of the fee. We would also ask that paper be included in the mandatory fee. These three criteria are met in the Hawaii State bill and in the Washington DC fee legislation that has been very effective at reducing the use of all single use bags.

Thank you for the opportunity to provide this testimony.